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# Iraq

## Status Report

November 18, 2009



Bureau of Near Eastern Affairs  
U.S. Department of State

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## HIGHLIGHTS

- **Vice President Hashimi Vetoes the National Election Law Passed by the COR (*POLITICAL*, page 4).**
- **Iraq Cabinet Delays Meeting on Zubair and West Qurna Oilfield Deals (*ECONOMIC*, page 10).**
- **President Talabani Arrives in Paris on an Official Visit (*DIPLOMATIC*, page 16).**
- **Iraqi Navy Receives Second Patrol Ship Ordered from Italy (*SECURITY*, page 18)**

## POLITICAL - Governance & Legislation

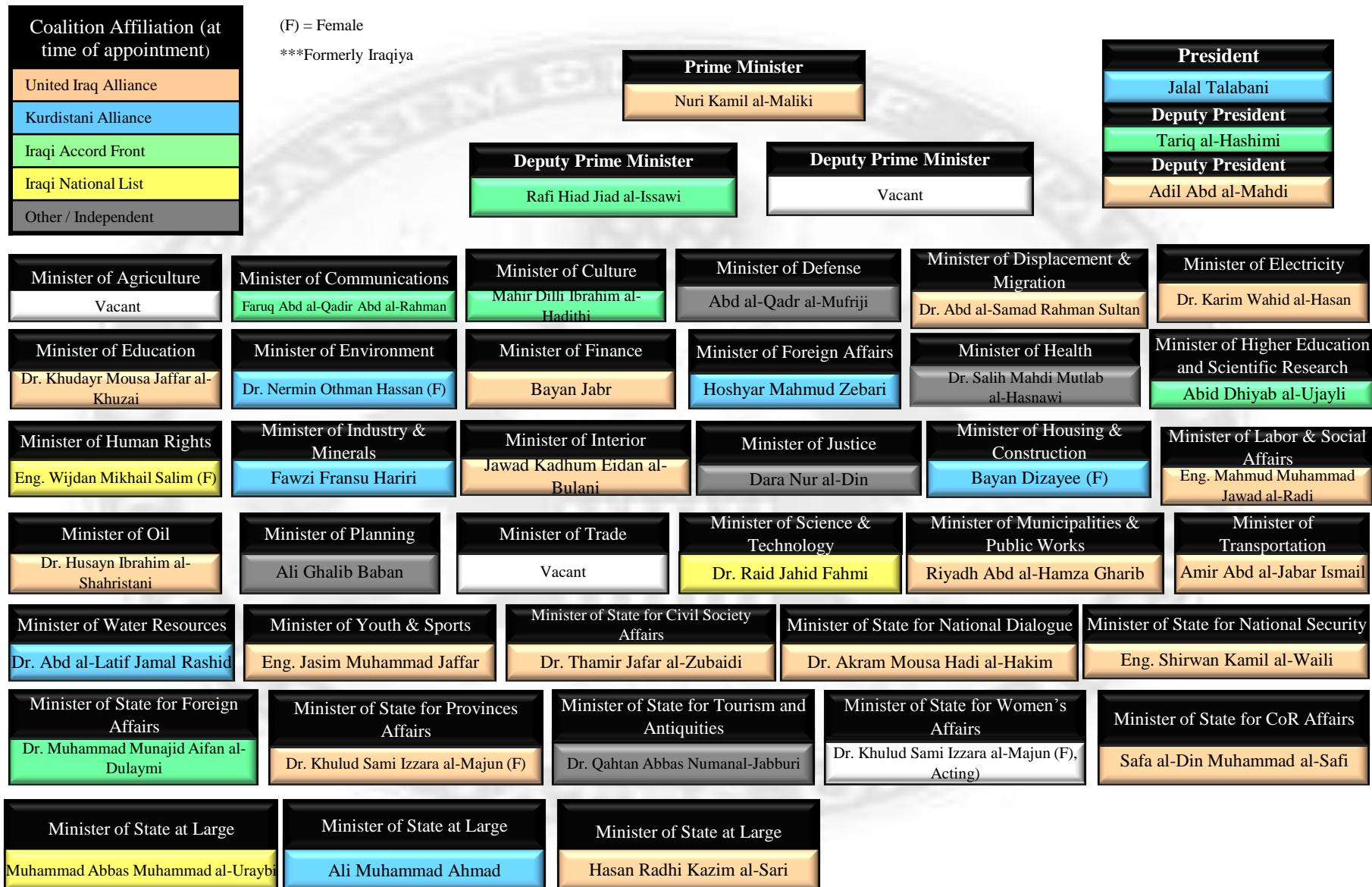


### Vice President Hashimi vetoes election law

#### **Hashimi Vetoes Election Law Over Compensatory Seats:**

- **On November 18, Sunni Vice President Tariq al-Hashimi, part of the three-member Presidency Council, vetoed the national election law passed by the Council of Representatives (COR) in early November. Hashimi expressed concerns that the small number of national compensatory seats inadequately represented the interests of Iraq's exile community, but stressed that all other articles of the law were satisfactory. The current terms of the electoral law allow for eight seats for minorities and eight compensatory seats (the only point at which votes from Iraqi citizens living abroad count towards COR representation). National elections in 2005 were conducted with 45 compensatory seats with none set aside for minorities. Earlier in the week, Kurdistan Regional Government President Masoud Barzani and several regional parliamentarians threatened to boycott the elections over the distribution of seats to provinces that they felt under-represented the Kurdish population. The election law now goes back to the Council of Representatives for amendments and subsequent resubmission to the Presidency Council after a majority vote.**

# POLITICAL – Government of Iraq

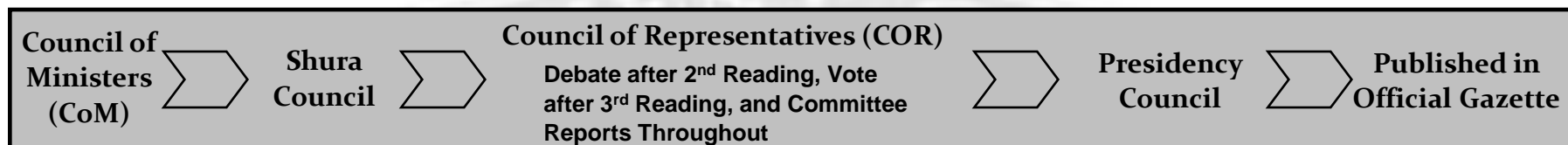






## POLITICAL – Key Legislative Issues

### Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26, 2008 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **NGO Law:** This law will regulate the operations and funding of Non-Governmental Organizations operating within Iraq. It received its first reading in the Council of Representatives on April 20, 2009.
- **National Elections Law:** Vice President Tariq al-Hashimi vetoed the election law November 18.

## POLITICAL - Refugee Update

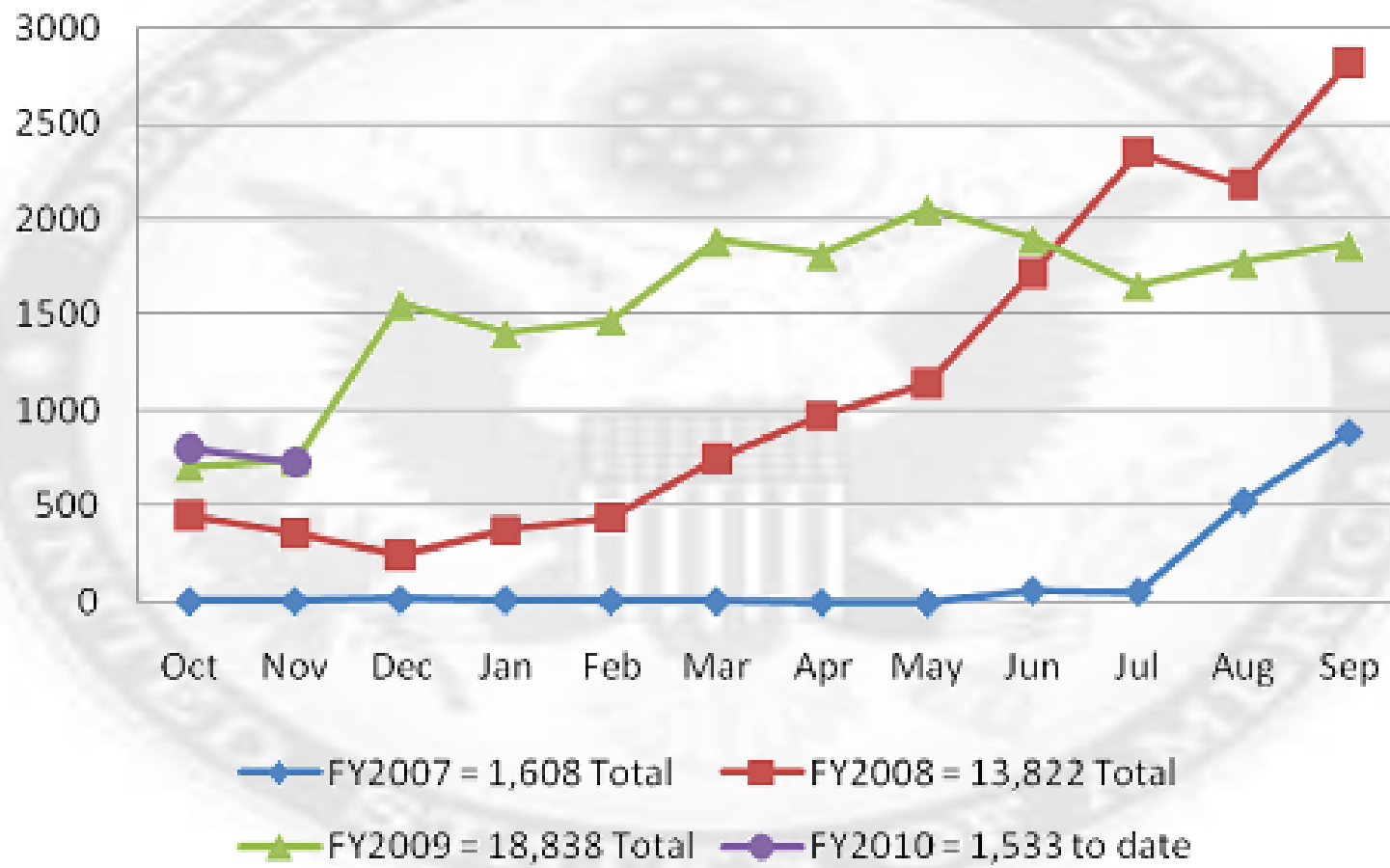


- There are approximately 295,000 Iraqi refugees currently registered with UNHCR in neighboring countries. There are likely significant numbers of unregistered refugees as well. UNHCR reports that 1.5 million Iraqis displaced by sectarian violence following the Samarra Mosque bombing of February 2006 remain internally displaced in Iraq.
- In FY09, the State Department's Bureau of Population, Refugees and Migration contributed \$ 303.4 million to international organizations and nongovernmental organizations to assist displaced Iraqis inside the country and in the region.
- Since the program's inception in FY07, 35,801 Iraqi refugees have been admitted for U.S. resettlement, an increase of 1,533 since the beginning of the fiscal year. The U.S. admitted 18,838 Iraqi refugees in FY09.
- As of September 2009, a total of 1,606 Special Immigrant Visa (SIVs) have been issued for Iraqi translators and interpreters (and their dependents) since FY07 (under the Section 1059 program).
- As of September 2009, a total of 3,028 SIVs have been issued for Iraqis employed by or on behalf of the U.S. government (and their dependents) since FY08 (under the Section 1244 program).
- Secretary of State Hillary Clinton announced July 24 that the United States was contributing more than \$100 million in new assistance to support the return and reintegration of displaced Iraqis.

## POLITICAL - Refugee Update



### Iraqi Admissions to the U.S.





# ECONOMIC – Oil



## Oil prices are rising, but exports below 2009 targets

### Crude Oil Update:

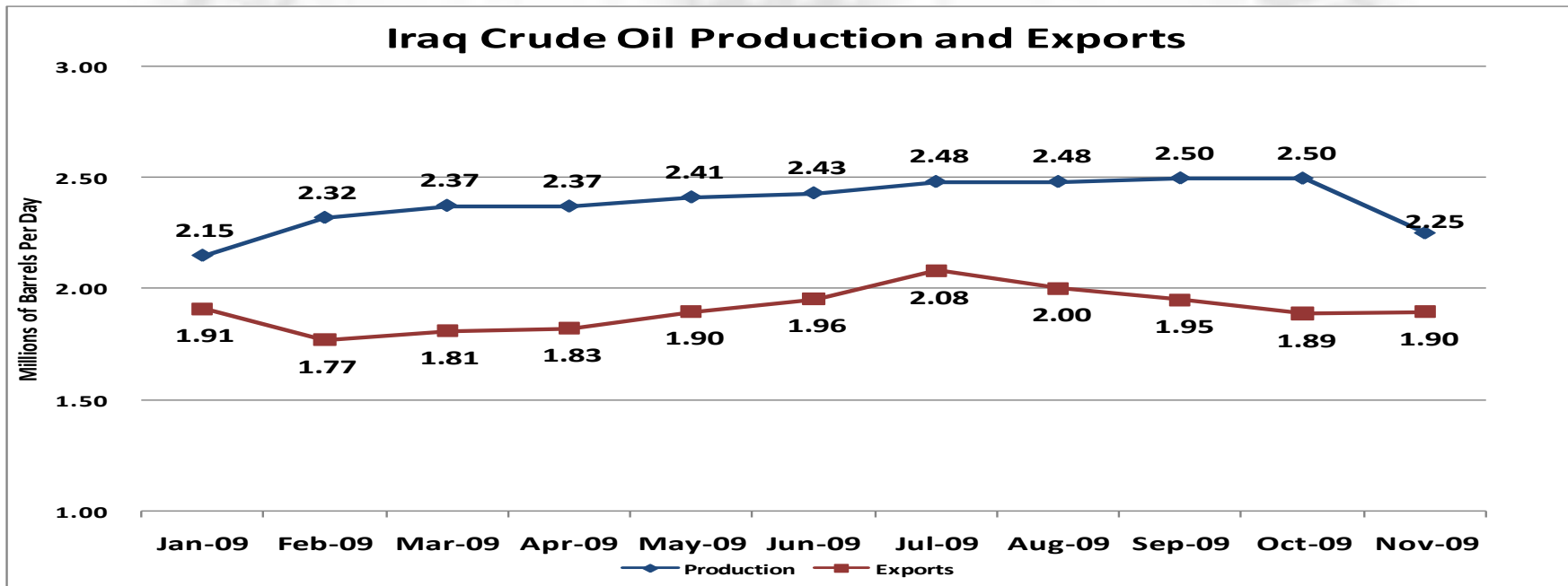
*Price averages in world markets closed with the following prices:*

Basrah Light at \$75.53/barrel

Dated Brent at \$76.74/barrel

WTI Cushing at \$78.21/barrel

Oman/Dubai at \$78.12/barrel



### Revenue estimates:

**2007: \$41.0 Billion**

**2008: \$61.9 Billion**

**2009 (ytd): \$29.2**

\*Approximate estimate.

## ECONOMIC – Oil



### Iraq Cabinet delays meeting on Zubair and West Qurna oilfield deals

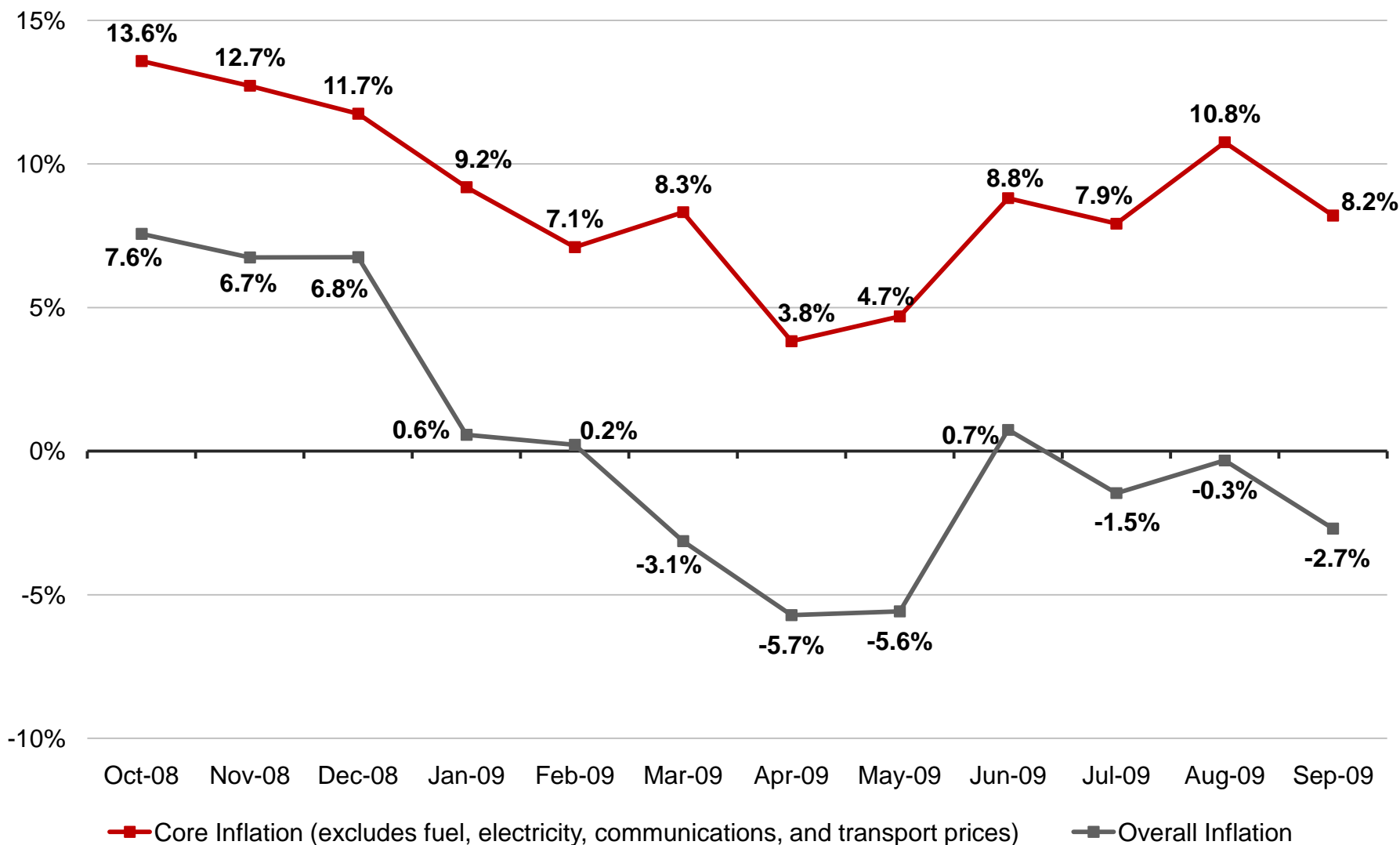
#### **Iraq's Cabinet Postpones Meeting to Approve Zubair and West Qurna Oilfield Deals:**

- **Iraq's Cabinet cancelled a meeting slated for November 17 that was expected to approve oil development deals with Western countries. Officials reported the cancellation was necessary as too many ministers were out of town. Eleven ministers are traveling abroad including some with President Jalal Talabani in France. The Zubair and West Qurna oilfield deals, projected to triple Iraq's oil production in 6-7 years, are two of the major contracts that were expected to be approved in the meeting. Ali al-Moussawi, manager of the government's National Media Center said that it was unclear when the oil deals would be approved, but it was likely the Cabinet would try to meet before its regularly scheduled meeting on November 24.**

# ECONOMIC - Fiscal and Monetary Affairs



## Year-on-Year Inflation



## ECONOMIC – Fiscal and Monetary Affairs



Private banks prosper in Iraq while Iraq's Cabinet approves banking legislation

Economic Indicator	This Week	Last Week	Last Month	Last Year
<b>Iraqi Commercial Bond Sales</b>				
Price (USD)	\$75.13	\$75.30	\$76.79	\$66.08
Yield	8.51%	8.48%	8.31%	10.96%

### Private Banks Flourish Amid Lower Violence Levels:

- U.S. officials and Iraqi banking executives say Iraq's privately owned banks are beginning to flourish as lower violence and increasing confidence among Iraqi bankers is fueling a lending boom. Private banks are expanding by targeting growth areas like lending to family-run businesses. The Iraqi market has begun to interest Western banks; however, high security costs and violence have deterred Western banks from taking steps such as opening offices. Ashur International Bank for Investment, a privately owned Iraqi Bank, has prospered in spite of the world-wide financial decline by lending to small, family-run businesses like restaurants and shops. Ashur expects its profits to rise 50% to \$15 million this year and plans to open three new branches. Iraq's banking sector, still relatively small, has just over 40 banks with more than 800 branches with much of its activity limited to basic lending and deposit services.



## ECONOMIC – Fiscal and Monetary Affairs

Private banks prosper in Iraq while Iraq's Cabinet approves banking legislation

### **Iraqi Cabinet Approves Draft Legislation for a Monetary and Banking Training Center:**

- **Iraq's Cabinet approved a draft law for a monetary and banking training center on November 16. In a press statement, Iraqi spokesman Ali al-Dabbagh said that "the approval [of the draft law] is in line with the Central Bank of Iraq Law no. 56 of the year 2004 on the training and preparation of personnel working at the Central Bank of Iraq (CBI) and the banking apparatus." The draft law has been referred to Parliament for approval.**

### **KRG Finance Ministry Calls for 2010 Budget Proposals:**

- **The Ministry of Finance in the KRG has called on all regional ministries to submit their proposals for the 2010 budget to the Ministry this week. "A joint committee comprised of representatives of the ministries of planning and finance will discuss the proposed budgets before referring them to the Parliament, according to the statement."**



## ECONOMIC – Fiscal and Monetary Affairs



Private banks prosper in Iraq while Iraq's Cabinet approves banking legislation

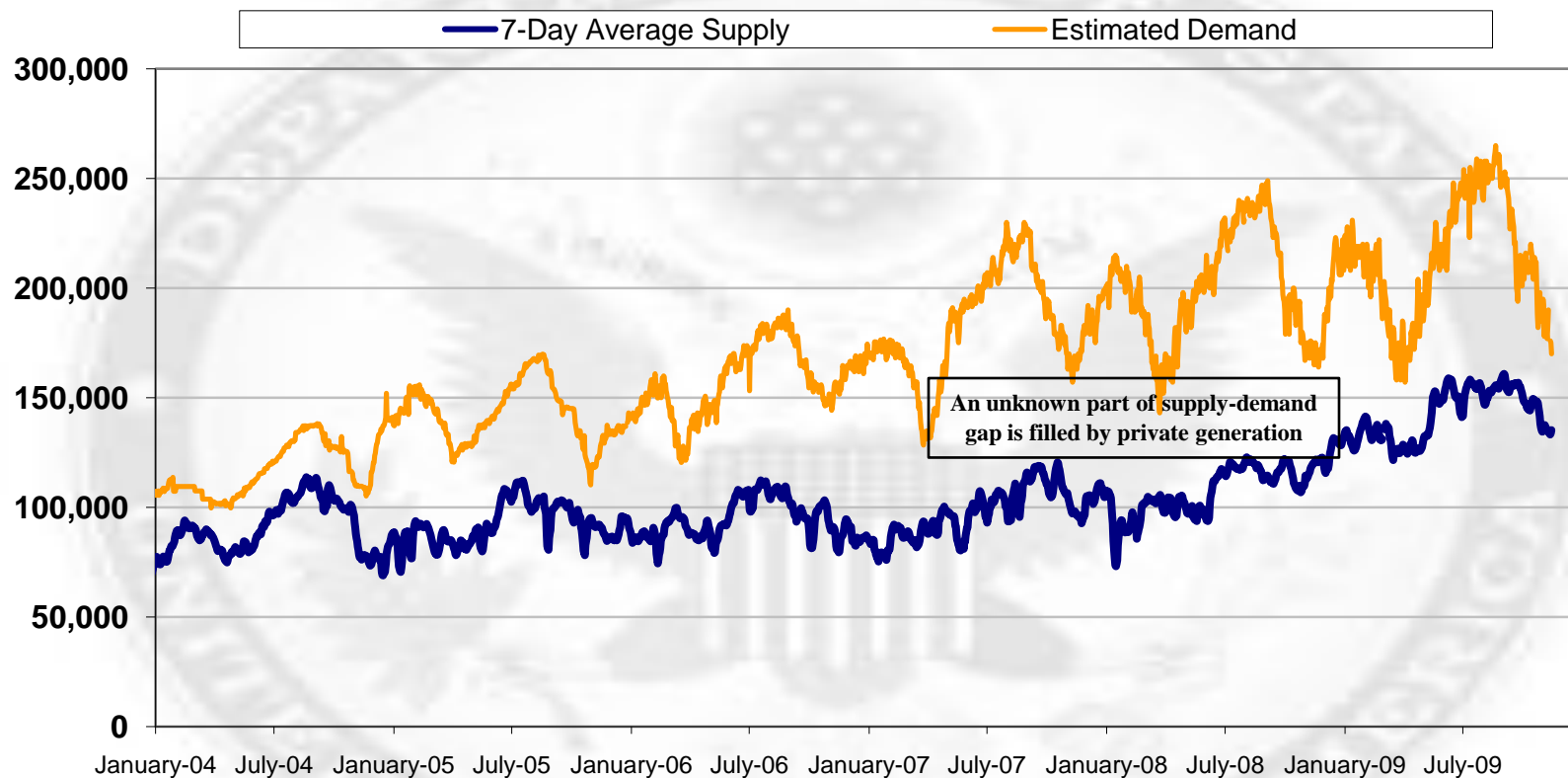
### **EC and Iraq Sign New Partnership and Cooperation Agreement:**

- **Negotiators for the European Commission (EC) and Iraq on November 13 signed the text of a new Partnership and Cooperation Agreement. The deal establishes a “comprehensive platform” for enhancing ties on efforts to counter terrorism and weapons of mass destruction, promote human rights, improve trade and investment in key areas (e.g., energy and services) and cooperate on health care, education and the environment. The agreement provides for regular dialogue on bilateral, regional and global issues. Negotiations for the agreement were launched 3 years ago, in November 2006. The European Union (EU) has given more than Euros 900 million (upwards of \$1.3 billion) in assistance to Iraq since 2003. EU member states must now approve the agreement for it to come into force.**

## Public Services – Electricity



### Daily Electricity Supplied and Estimated Demand in Iraq



- Electricity supply from the grid November 8-14 was 12% above the year-earlier period and met 76% of estimated demand, compared with 70% for the earlier period.

## DIPLOMATIC – Political Engagement



### Iraq strengthens bilateral relations

#### **President Talabani Arrives in Paris on an Official Visit:**

- **Iraqi President Jalal Talibani made his first official trip to France November 16. His visit included dinner with French President Nicolas Sarkozy and discussions with French political and business leaders on aid, agricultural development, business and cultural cooperation.**

#### **Iranian Parliament Speaker Larijani Visits Iraq:**

- **At the invitation of Iraqi Parliamentary Speaker al-Samarrai'e, Iranian Parliamentary Speaker Larijani visited Iraq in early November, praising Iraqi democracy and decrying recent violence. His trip also included meetings with Iraqi Grand Ayatollah Ali al-Sistani and Ayatollah Bahr al-Uloun in Najaf and Iraqi government officials.**

## SECURITY – Transition



### Violence threatens Iraqi civilians

#### **Disguised Militants Kill 13 People in Village Southwest of Baghdad:**

- **Militants dressed in Iraqi Army uniforms abducted and killed 13 people in al-Saadan, a village southwest of Baghdad, on November 16. A senior member of the Iraqi Islamic Party, local Sons of Iraq member, and their children were among the victims.**

## SECURITY – Situation



### Iraq increases its naval capacity

#### Iraq Increases Its Naval Capacity:

- The patrol ship **Nasir**, the second of four Iraqi ships contracted out to the Fincantieri Shipyard in La Spezia, Italy, was welcomed home on November 12. An Iraqi naval crew sailed the ship on the 5000-mile journey from Italy to Iraq in less than one month. A ceremony was held in honor of the **Nasir**'s homecoming that included demonstrations of boarding tactics and diver skills. At the ceremony U.S. Army Brigadier General James M. McDonald, deputy commanding general Multi-National Security Transition Command – Iraq (MNSTC-I) said, “Iraq is in charge of its security. MNSTC-I’s goal is to assist Iraq in developing a capable and responsive force able to conduct maritime security operations in the region.”



## Beyond Baghdad



Participants of Kirkuk's Women's NGO  
Capacity Development Program.

*Kirkuk*

*Karbala*

*Maysan*

“...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services.”

*President Barack Obama*

### *Recent Highlights*

Over 85 representatives from local and international NGOs, as well as the Directorates of Youth and Sports, Olympics, Education and Immigration, attended the culminating seminar of a six-month women's NGO capacity-development program titled “Addressing Women's Social and Economic Concerns in Kirkuk.” This program, sponsored by the local PRT and 2nd Brigade Combat Team (BCT) of the 1st Cavalry Division, was aimed at identifying specific needs of the women in the community and establishing methods of addressing those needs. The seminar tackled issues such as illiteracy, unemployment, and the lack of small businesses for women, in addition to raising awareness of women's rights and working to reduce violence against women.

A group of over forty journalists met with PRT Karbala to discuss the formation of a media association in the province. During the meeting, which was moderated by two journalists, the group elected a leadership committee tasked with forming an NGO called “The Independent Journalists Home.” The NGO hopes to work in conjunction with Karbala PRT in the future to support independent media activities in the region.

The Maysan Provincial Government in collaboration with the local PRT has provided 20,000 local residents with greater access to clear water. Efforts to refurbish two compact water units which were previously working at 50% capacity were successful at creating greater accessibility to cleaner water for residents of Qalat Salah. Two Iraqi companies employing over 40 workers were responsible for the repairs to the units. Similar efforts to provide clean water are being carried out in Ali Al Gharbi, Al Sadir, Al Wahda, Al Rafadeen, Al Muwahad, and Majar Al Kabir.



## CONTACT INFORMATION

**This brief draws from multiple sources. References are cited on the following pages.**

**For additional information, please see:**

- **Department of State, Section 2207 Report on Iraq Relief and Reconstruction**  
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- **Department of State, Section 1227 Report on Iraq**  
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- **Department of Defense, Section 9010 Measuring Stability and Security in Iraq**  
[http://www.defenselink.mil/home/features/Iraq\\_Reports/index.html](http://www.defenselink.mil/home/features/Iraq_Reports/index.html)

**Please forward all questions and/or comments to:**

**[NEA-I-IPOG-DL@state.gov](mailto:NEA-I-IPOG-DL@state.gov)**



## NOTES AND SOURCE CITATIONS (1 of 2)

Slide 4:

- AP, November 18, [http://news.yahoo.com/s/ap/20091118/ap\\_on\\_re\\_mi\\_ea/ml\\_iraq](http://news.yahoo.com/s/ap/20091118/ap_on_re_mi_ea/ml_iraq)

Slides 5-8:

- Department of State, NEA Political Section, NEA-I-POL-DL@state.gov

Slide 9:

- Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov

Slide 10:

- Reuters, November 17, [http://www.reuters.com/article/reutersComService\\_3\\_MOLT/idUSTRE5AG3KH20091117](http://www.reuters.com/article/reutersComService_3_MOLT/idUSTRE5AG3KH20091117)

Slide 11:

- Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov

Slide 12:

- Department of State, NEA/I -IPOG, NEA-I-IPOG-DL@state.gov
- Reuters, November 16, <http://www.reuters.com/article/rbssFinancialServicesAndRealEstateNews/idUSLG23751220091116?pageNumber=2&virtualBrandChannel=11604>

Slide 13:

- Aswat al-Iraq, November 16, <http://en.aswataliraq.info/?p=122068>
- Aswat al-Iraq, November 17, <http://en.aswataliraq.info/?p=122130>



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Slide 14:

- Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov: EU/EC Press Release

Slide 15:

- Department of State, NEA/I -IPOG, NEA-I-IPOG-DL@state.gov

Slide 16:

- VOA, November 16, <http://www.voanews.com/english/2009-11-16-voa19.cfm>
- PressTV, November 8, <http://www.presstv.ir/detail.aspx?id=110746&sectionid=351020101>; AFP [http://www.google.com/hostednews/afp/article/ALeqM5gyDEUHTvmuy6aocTToOYKkS9\\_KRQ](http://www.google.com/hostednews/afp/article/ALeqM5gyDEUHTvmuy6aocTToOYKkS9_KRQ)

Slide 17:

- RTT News, November 16, <http://www.rttnews.com/ArticleView.aspx?Id=1130469&SMap=1>

Slide 18:

- MNF-I, November 13, [http://www.mnfi.com/index.php?option=com\\_content&task=view&id=28654&Itemid=225](http://www.mnfi.com/index.php?option=com_content&task=view&id=28654&Itemid=225)

Slide 19:

- Source for Stories:
  - PRT Public Diplomacy Highlights, Week Ending November, 7
  - PRT Weekly Summary 10/24/09-10/31/09
  - Embassy Baghdad Website, [http://iraq.usembassy.gov/prt\\_11122009maysan.html](http://iraq.usembassy.gov/prt_11122009maysan.html)
  - Source for President Obama's Quote: [http://www.whitehouse.gov/the\\_press\\_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq/](http://www.whitehouse.gov/the_press_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq/)